MISSION REPORT

Minister McClellan's Mission to Asia
May 30 to June 12, 2000

Alberta
INTERNATIONAL AND
INTERGOVERNMENTAL RELATIONS

101-04375/

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MESSAGE FROM THE MINISTER

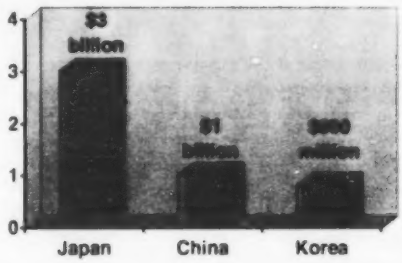
Asia is a dynamic and exciting part of the world. It's full of possibilities and presents many unique opportunities for economic and cultural partnerships and joint ventures.

Over the years, Alberta's long-standing relationships in Asia have proven to be very beneficial for our province in areas ranging from trade and investment to education and research.

In June this year, I led a mission to Japan, China, and Korea—our province's top three overseas trade and investment partners. About 75 per cent of Alberta's trade in Asia is with these three countries.

The mission was a good opportunity to look back and celebrate milestones while also looking ahead and laying the groundwork for new initiatives.

Two-way trade with Alberta



I was reminded time and time again of the importance of strong relationships as a foundation for trade. The truth is, in many Asian countries, a strong friendship is needed if an economic relationship is to blossom. It's clear that Alberta's relationships in Japan, China, and Korea have helped open the door for many of our businesses, academic institutions, and other organizations.

A highlight of the mission for me was joining representatives from six Alberta municipalities twinned with Japanese municipalities. I also had the opportunity to join Dr. Rod Fraser, President of the University of Alberta, to explore the expansion of research partnerships.

These meetings, as well as the discussions we had with key officials and business leaders in Japan, China, and Korea, will undoubtedly bear much fruit for Alberta in the months and years to come.

I want to thank everyone who put so much into making this mission a success.

Shirley McClellan
Minister

MISSION OBJECTIVES

The main objectives of the mission were to build stronger relationships with Japan, Korea, and China and to showcase Alberta in these key markets by:

1. Promoting Alberta's products, services, and investment climate.
2. Conveying the message that Alberta is a good place for trade and investment, and updating key Asian decision-makers about Alberta's economic and political situation.
3. Representing Alberta at Hokkaido's 20th anniversary celebrations of the Alberta-Hokkaido sister province relationship.
4. Strengthening relationships with key decision-makers in Japan, Korea, and China.
5. Supporting Alberta municipalities' and the University of Alberta's twinning activities in Japan.

ITINERARY *

May 30 - June 5: Sapporo and Ashoro, Hokkaido (Japan)

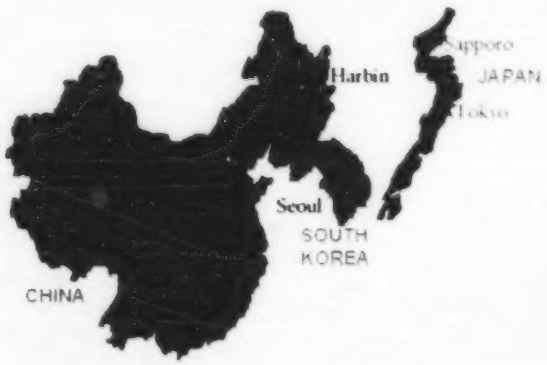
June 5 - June 6: Tokyo (Japan)

June 6 – June 8: Seoul and Chunchon (Korea)

June 8 – June 10: Harbin, Heilongjiang (China)

June 10 – June 12: Beijing (China)

* See Appendix 1 (page 10) for full itinerary.



Japan is Alberta's main overseas trade and investment partner, second overall only to the United States. Annual two-way trade is estimated at nearly $3 billion. Alberta enjoys a strong sister province relationship with Japan's northern prefecture of Hokkaido, a relationship now in its 20th year.

Minister McClellan went to Tokyo and two cities in Hokkaido, Sapporo and Ashoro. She achieved the following results during the Japan mission:

Promoted Alberta:

... opened a Canadian food fair which prominently featured Alberta beef, pork, canola oil and other food products at the "Cowboy Supermarket," one of Japan's fastest growing food chains.

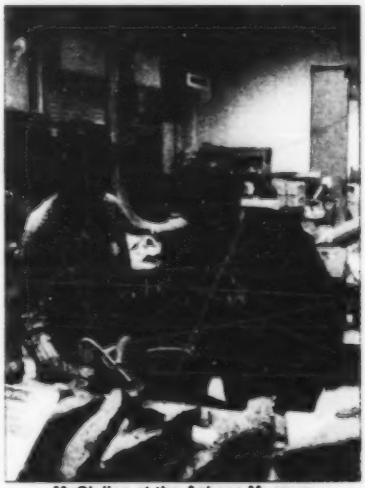
... spoke to many of Alberta's key business contacts in Japan (e.g. Daishowa Paper, Nippon Meat Packers, Tokyo Mitsubishi Securities, Itohan Foods) about Alberta's current economic and political climate, our trade objectives, and our ongoing commitment to Japan.

Explored New Initiatives:

... identified training for English-language teachers as a new area where Alberta could help Hokkaido achieve its goal of becoming an English fluency leader in Japan. A pilot project is now being developed by the University of Alberta to train Hokkaido English-language instructors.

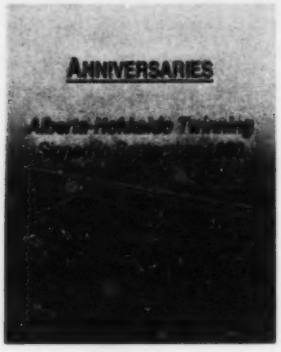
... discussed opportunities for Alberta-Hokkaido cooperation in developing value-added food products while meeting with key members of the Hokkaido food industry at the Hokkaido Food Research Centre. The Leduc Food Processing Centre in Alberta is now finalizing a cooperation agreement with the Hokkaido Food Research Centre.

... reviewed telehealth technology initiatives currently underway between Sapporo Medical University and the University of Alberta. The initiatives combine Alberta's leadership in distance delivery of health care services with Japanese innovations in telecommunications technology.



McClellan at the Ashoro Museum of Paleontology

Commemorated Milestones:



... co-hosted a reception, in partnership with the Hokkaido government, commemorating the 20th anniversary of the Alberta-Hokkaido relationship. More than 250 business people and others who have contributed time and resources over the past 20 years to Alberta-Hokkaido partnerships attended the reception and received special acknowledgement for their efforts.

... hosted a major business reception in Tokyo marking the 30th anniversary of the Alberta Japan Office. The event was attended by over 300 Japanese business people (e.g. representatives of Sumisho Fresh Meat, Cargill Japan, and Oji Paper), and others involved in building Alberta-Japan relations.

Connected with Key Officials:

... met with the Governor of Hokkaido to evaluate the Alberta-Hokkaido relationship and explore future directions, including economic partnerships in food processing and training for English-language instructors.

McClellan speaks at a business luncheon

... joined University of Alberta President, Rod Fraser, in thanking Snow Brand (one of Japan's largest food companies) and Hokkaido's Rakuno Gakuen University who are jointly providing a $400,000 scholarship fund at the University of Alberta to support academic and research exchanges.

... led representatives from six Alberta municipalities (Camrose, Rocky Mountain House, Stettler, Stony Plain, Wetaskiwin and Whitecourt) to the "Hokkaido-Alberta Sister Cities Conference" to reinforce the important role played by Alberta municipalities in the overall Alberta-Hokkaido relationship.

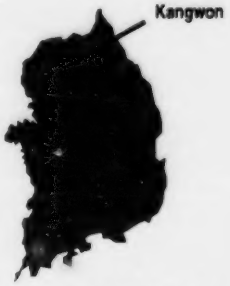
... met with Canadian Embassy officials in Tokyo to assess Japan's political and economic situation and potential opportunities for advancing Alberta's trade interests in Japan.

SOUTH KOREA

June 6 - 8

South Korea is a growing market for Alberta. For the past five years, it has consistently ranked as the province's fourth largest trading partner with two-way trade totally $800 million annually. The province's 25-year sister province relationship with Kangwon is Alberta's longest-standing international twinning relationship.

Minister McClellan went to Seoul, the capital of South Korea, and Chunchon, the capital of Kangwon. While in South Korea, she achieved the following:



South Korea

Explored New Initiatives:

... examined potential commercial partnerships between Alberta and Kangwon while visiting a high-tech business park specializing in multi-media, animation, and biotechnology. Korean companies at the "Hi-Tech Venture Town" are interested in joint ventures with Alberta.

Promoted Alberta:

... updated some of Korea's leading businesses (such as the Korea National Oil Corporation, the Hyosung Group, and Hyundai Corporation) on Alberta's impressive record of growth and stability. The Minister encouraged business leaders to continue trading with Alberta and consider our province a priority for their foreign investments.

McClellan with Choi Dong-kyu, Vice Governor of Kangwon

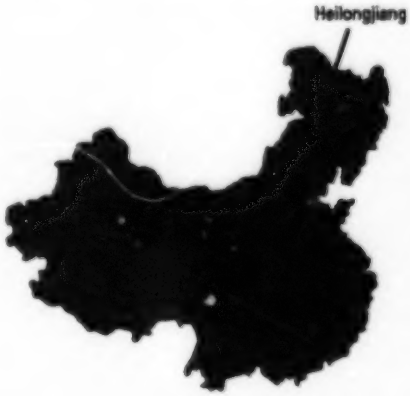
Connected With Key Officials:

... met with the Governor of Kangwon, Kim Jin-sun, and explored future growth and expansion of the Alberta-Kangwon relationship.

... reviewed with Canada's Ambassador to Korea the dynamic political and economic situation in Korea, its future economic prospects, and its World Trade Organization negotiating position.

Economic ties between Alberta and China have grown steadily since the 1960s, today topping $1 billion annually in two-way trade and covering a wide range of sectors. The relationship promises to grow in the coming years as China joins the World Trade Organization. Alberta has had a sister province in China – Heilongjiang – since 1981.

Minister McClellan went to Harbin (the capital of Heilongjiang) and Beijing (the capital of China). While in China, she achieved the following:



Explored New Initiatives:

... met with Heilongjiang's Environmental Protection Agency to review cooperative initiatives. A first step will involve posting a Heilongjiang official in Alberta to study Alberta's system of environmental protection.

.. reviewed progress and prospects for continued introduction of Alberta cattle genetics in China through the Heilongjiang Animal Breeding Centre. Alberta has been working with Heilongjiang for many years on cattle breeding as part of a larger integrated livestock project.

Promoted Alberta:

... introduced Alberta's new International Governance Office to China. The Office will market Alberta's governance expertise and co-ordinate Alberta's involvement in development projects.

... spoke to Chinese students about Alberta's role in Canada and Canadian federalism. The lecture was part of the Harbin Institute of Technology's partnership with the University of Alberta which includes launching a Canadian Studies program.

McClellan with students from the Harbin Institute of Technology

Connected With Key Officials:

... met with Xu Youfang, Heilongjiang Party Secretary, and discussed strategies for building the economic dimension of the Alberta- Heilongjiang relationship.

... met with Canadian diplomats in Beijing and officials with the Chinese Foreign Affairs Ministry to review Alberta-China relations and examine future opportunities given China's upcoming membership in the World Trade Organization.

CONCLUSION

Long-term trade and commerce is rarely possible without the hard work of relationship-building. Nowhere is this more true than in Asia. Decision-makers in Asia see a solid, committed relationship as an integral part of doing business.

The fact that Japan, China, and South Korea remain Alberta's top three overseas trade and investment partners is a testament to the years of effort Albertans have put into building linkages and partnerships in Asia. Our long-standing sister-province relationships in these countries have added to Alberta's credibility as a province committed to Asia.

Minister McClellan's Mission to Asia provided an opportunity to expand existing relationships, to celebrate milestones, and to explore new areas of cooperation.

Opportunities were identified in such areas as training for English-language instructors, food processing, and investment in high technology industries. Interaction with high-level Asian political leaders and key business contacts helped secure Alberta's reputation as a good place to do business.

The mission succeeded in maintaining and building on the credibility and reputation of Alberta in key Asian markets, an achievement that will reap benefits for Albertans for years to come.

McClellan (back row, fourth from right) with Japanese officials and representatives of Alberta municipalities and the University of Alberta at 20th anniversary celebrations.

APPENDIX 1: DETAILED ITINERARY

Date	Itinerary
May 30	▪ Travel: Edmonton - Vancouver - Tokyo
May 31	▪ Travel: Tokyo - Sapporo
June 1	▪ Meeting with Tatsuya Hori, Governor of Hokkaido ▪ Luncheon hosted by Governor Tatsuya Hori ▪ Opening of Alberta Business Seminars (Telehealth, Food Processing) ▪ Meeting with Rakuno Gakuen University and Snow Brand Dairy, accompanied by Rod Fraser, President University of Alberta ▪ Alberta-Hokkaido 20th Anniversary Reception ▪ Dinner hosted by Vice-Governor of Hokkaido
June 2	▪ Meeting with Sapporo Medical University on telehealth initiatives ▪ Meeting with Rakuno Gakuen University on Hokkaido-Alberta dairy exchange program ▪ Meeting with representatives of Hokkaido food industry associations ▪ Opening of Canada Fair at "Cowboy Supermarket" ▪ Media interview ▪ Speech at "Canada School" (Hokkaido Canada Society) ▪ Reception hosted by the Hokkaido Canada Society
June 3	▪ Travel: Sapporo-Ashoro ▪ Meeting with Alberta's Twinned Town representatives ▪ Twinned Towns Conference and Reception ▪ Travel: Ashoro-Obihiro
June 4	▪ Travel: Obihiro – Tokyo
June 5	▪ Meeting with Alberta Japan Office ▪ Meeting with Canadian Embassy ▪ Business luncheon hosted by Canadian Ambassador ▪ Meeting with and presentation to Dr. Tatsua Ozawa, retiring Co-chair of Japan-Canada Parliamentarians Friendship League ▪ Media interviews ▪ Alberta Japan Office 30th Anniversary Reception
June 6	▪ Travel: Tokyo to Seoul ▪ Briefing session with Alberta Korea Office. ▪ Dinner and briefing hosted by Canada's Ambassador to Korea
June 7	▪ Travel: Seoul to Chunchon ▪ Meeting with Kim Jin-sun, Governor of Kangwon ▪ Luncheon hosted by Choi Dong-Kyu, Vice-Governor of Kangwon ▪ Visit to Chunchon "High Tech Venture Town" ▪ Meeting with Mayor of Chunchon and tour of facility. ▪ Travel: Chunchon to Seoul ▪ Dinner with key Alberta business contacts in Korea

June 8	▪ Travel: Seoul – Harbin ▪ Speech at Harbin Institute of Technology on Canadian federalism ▪ Dinner hosted by Deputy Secretary General of Heilongjiang Provincial Government
June 9	▪ Meeting with Xu Youfang, Heilongjiang Party Secretary ▪ Lunch hosted by Director General of Heilongjiang Environmental Protection Bureau ▪ Visit to Heilongjiang Animal Breeding Centre ▪ Dinner hosted by Director General of the Heilongjiang Culture Bureau
June 10	▪ Travel: Harbin – Beijing
June 11	▪ Rest day
June 12	▪ Briefing and meeting with Canadian Embassy ▪ Meeting with North American Affairs Bureau, Chinese Ministry of Foreign Affairs ▪ Travel: Beijing-Vancouver-Edmonton

APPENDIX 2: EXPENSES

The official Ministerial delegation incurred the following expenses:

Travel (bus and air):	$16,978.80
Accommodation and meals:	$10,513.97
Interpreters:	$6,074.30
Other:	$812.00
Total:	**$34,379.07**